

A RESOLUTION

SIDC-2003-08

AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF APPROXIMATELY \$25,070,000 CITY OF SAN ANTONIO, TEXAS, STARBRIGHT INDUSTRIAL DEVELOPMENT CORPORATION CONTRACT REVENUE BONDS, SERIES 2003 (TAXABLE) (PROJECT STARBRIGHT); APPROVING AND AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST RELATING TO THE BONDS, INCLUDING THE FIRST SUPPLEMENTAL INDENTURE OF TRUST; APPROVING A BOND PURCHASE AGREEMENT; RATIFYING A PRELIMINARY OFFICIAL STATEMENT AND APPROVING A FINAL OFFICIAL STATEMENT; APPROVING THE CERTAIN MATTERS RELATING TO CREDIT ENHANCEMENT AND RELATED MATTERS; APPROVING AND AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT; AUTHORIZING AND RATIFYING OTHER ACTIONS OF THE CORPORATION; MAKING CERTAIN FINDINGS AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

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WHEREAS, pursuant to the Development Corporation Act of 1979, Article 5190.6, Vernon's Texas Civil Statutes, as amended (the "Act"), the Corporation was created by the City of San Antonio, Texas (the "City") as an industrial development corporation for the purpose of aiding and assisting the City in fulfilling its obligations under the Project Starbright Agreement by and among the Toyota Motor Manufacturing North America, Inc., a Kentucky corporation, the State of Texas, the City of San Antonio, Texas and various other political subdivisions of the State of Texas (the "Starbright Agreement"); and

WHEREAS, pursuant to the laws of the State of Texas, including particularly the Act, the Corporation is authorized and has the power to issue, sell, and deliver revenue bonds, for and on behalf of the Corporation, for the purpose, among others, of financing the construction of, as a portion of Project Starbright (as defined in the Starbright Agreement), the City Project (as defined in the Indenture); and

WHEREAS, the Corporation has entered into an Economic Development Contract by and between the City and the Corporation pursuant to which the Corporation is pledging and assigning such contract to the trustee to secure the Bonds to provide for the financing of the City Project; and

WHEREAS, in order to issue and secure the Bonds, the Corporation shall, pursuant to this resolution (the "Bond Resolution"), approve an Indenture of Trust and First Supplemental Indenture of Trust by and between the Corporation and Wells Fargo Bank, Texas, N.A., as Trustee. The proceeds of such Bonds shall be used to pay for the costs to finance the acquisition of land and related site preparation and costs associated with a job training facility, along with all extensions, additions, enlargements, improvements and modifications to the City Project,

including amounts necessary to provide for capitalized interest, fund the debt service reserve fund and to pay costs of issuance; and

WHEREAS, the Act authorizes the Corporation to issue the Bonds to finance the City Project; and

WHEREAS, the Corporation expects in connection with the delivery of the Bonds to purchase municipal bond insurance as approved pursuant to this Bond Resolution; and

WHEREAS, to effectuate the issuance, sale and delivery of the Bonds, this Resolution shall authorize a bond purchase agreement (the "Bond Purchase Agreement") with Siebert Brandford Shank, L.L.C., as a representative of the group of underwriters therein (the "Underwriters"), relating to and setting forth certain terms and conditions upon which the Underwriters will purchase the Bonds from the Corporation and the Corporation will sell the Bonds to the Underwriters; and

WHEREAS, the form and substance of this Resolution, the Indenture of Trust (the "Indenture"), the First Supplemental Indenture of Trust (the "First Supplemental Indenture;" the Indenture and the First Supplemental Indenture are sometimes collectively referred to as the "Indentures"), including such matters as, without limitation, the aggregate principal amount of the Bonds, maturities of the Bonds, redemption provisions, prices, dates, interest payment dates, interest rates, bond insurer and surety provider, the Bond Purchase Agreement and the Preliminary Official Statement and the final Official Statement, together with such changes thereto as are authorized pursuant hereto and such other documents and instruments as may be executed pursuant to the authority granted herein, including, without limitation, the insurance commitment from the municipal bond or financial guaranty insurance provider and reserve fund surety provider shall be collectively referred to herein as the "Transaction Document(s);" and

WHEREAS, the necessity and convenience of financing the Project are in the best interest of the Corporation and such documents have been described to this Board and fully discussed at this meeting;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF SAN ANTONIO, TEXAS, STARBRIGHT INDUSTRIAL DEVELOPMENT CORPORATION THAT:

ARTICLE I THE BONDS

Section 1.1 Findings and Determinations. The Corporation hereby finds and declares that:

- (i) the recitals contained in this Resolution are true and correct;
- (ii) the actions, documents, instruments and other matters herein authorized and approved by the Corporation are carried out pursuant to the Constitution and the laws

of the State of Texas, including the Act and Chapter 1201, et. seq., Texas Government Code, as amended.

Section 1.2 Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds styled "City of San Antonio, Texas Starbright Industrial Development Corporation Contract Revenue Bonds, Series (Starbright Project), Series 2003" in the aggregate of \$24,685,000, maturing in the years and amounts set forth in the Transaction Documents, is hereby authorized under and in accordance with the Transaction Documents, and that, upon execution and delivery of the Transaction Documents, the President and Secretary of the Corporation (or such other board member or officer of the Corporation as the President may authorize in writing) are hereby authorized to execute and attest the Bonds by manual or facsimile signature and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts for registration, and the Trustee for authentication, and thereafter to deliver such Bonds to the Underwriters pursuant to the Bond Purchase Agreement.

Section 1.3 Approval, Execution and Delivery of the Indenture, the First Supplemental Indenture and the Bond Purchase Agreement. That the form and substance of the Indenture, the First Supplemental Indenture and the Bond Purchase Agreement attached hereto, respectively, as Exhibits "A," "B" and "C" is hereby approved, and that the President or Executive Director and Secretary of the Corporation (or such other board member or officer of the Corporation as the President may authorize in writing) are hereby authorized to execute and attest to the Indenture, the First Supplemental Indenture, the Bond Purchase Agreement, and any other related Transaction Documents and to deliver the Indenture, the First Supplemental Indenture, the Bond Purchase Agreement and any other related Transaction Documents to the Trustee, the Underwriter and the City.

Section 1.4 Ratification of Economic Development Contract. That the form and substance of the Economic Development Contract is hereby ratified, confirmed, and authorized.

Section 1.5 Approval, Execution, Use and Distribution of the Official Statement. That the distribution by the Underwriters of the Preliminary Official Statement in accordance with the terms, conditions and limitations contained therein is ratified, confirmed and authorized; that the preparation and distribution by the Underwriters of a final Official Statement (in substantially the same form as the Preliminary Official Statement approved as distributed) together with such additions, deletions and modifications as shall be necessary and desirable or consistent with the terms of this Resolution or as may be approved by the President or Executive Director, is hereby authorized; that the President of the Corporation (or such other board member or officer of the Corporation as the President may authorize in writing) is hereby authorized to execute the Official Statement; and that the use and distribution of the Official Statement by the Underwriters is hereby approved and authorized, subject to the terms, conditions and limitations contained therein and further subject to such amendments or additions thereto as may be required by the Bond Purchase Agreement and as may be approved by the President or other board member or officer of the Corporation.

Section 1.6 Approval of DTC Blanket Letter of Representation. The DTC Blanket Letter of Representations attached hereto as Exhibit “D” is hereby approved and the officers of the Corporation are hereby authorized to execute such agreement and deliver the same in conformity therewith.

Section 1.7 Approval of Continuing Disclosure Agreement. The continuing disclosure agreement by and between City Public Service Board of San Antonio, Texas, attached hereto as Exhibit “E” is hereby approved and the officers of the Corporation are hereby authorized to execute such agreement and deliver the same in conformity therewith.

Section 1.8 Approval of Bonds. The sale and delivery of the Bonds shall occur in accordance with the terms of this section of this Resolution and the Bond Purchase Agreement. To the extent the President or the Executive Director shall accept and execute any commitments or related guaranty agreements, certificates and covenants pertaining to municipal bond insurance or reserve fund surety policy to be issued by Ambac Assurance Corporation, such commitments, guaranty agreements, certificates and covenants shall be reviewed by the financial advisor, bond counsel or general counsel to the Corporation to ensure that they are in compliance with applicable law and the terms and conditions of the Transaction Documents approved by this Bond Resolution.

Section 1.9 Distribution of Amounts from Bond Proceeds and Payment of Certain Fees. The Executive Director or the President, or any board member or officer of the Corporation so designated in writing by the President, is hereby authorized to execute a requisition certificate from the Acquisition and Construction Fund, as provided in the Indentures at closing for the Bonds, authorizing disbursement in addition to payments otherwise approved by the Issuer for disbursement for Costs (as defined in the Indenture).

ARTICLE II MISCELLANEOUS PROVISIONS

Section 2.1 Ratifying Other Actions. That all other actions taken by the Board of Directors of the Corporation, the President of the Corporation and the other Corporation officers in connection with the issuance of the Bonds are hereby ratified and confirmed.

Section 2.2 Corporation to Invest Proceeds. That the Corporation officers and its consultants are hereby authorized to invest and reinvest, or direct the Trustee or any depository bank of the Corporation to invest and reinvest, the proceeds of the Bonds and the Trust Estate.

Section 2.3 Execution and Delivery of Other Documents. That the President, any member of the board and the officers of the Corporation are each hereby authorized to execute and attest such other agreements, assignments, bonds, bond insurance, certificates, contracts, documents, licenses, instruments, releases, reserve fund surety policies, financing statements, letters of instruction, notices of acceptance, notices of final payment, written requests and other documents, and to take all actions and to do all things whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the Bonds, the Indentures and the Bond Purchase Agreement.

Section 2.4 Exhibits Incorporated Herein. All of the terms and provisions of each of the exhibits to this Bond Resolution shall be and are hereby incorporated into and made a part of this Bond Resolution for all purposes:

Section 2.5 Power to Revise Form of Documents and Execute Additional Documents. That, notwithstanding any other provision of this Resolution, the President or the Executive Director of the Corporation are hereby authorized to make or approve such revisions, additions, deletions and variations in the form of the Transaction Documents attached hereto as exhibits as, in the judgment of the President or the Executive Director, and in the opinion of bond counsel or general counsel to the Corporation, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the Indentures, the Bond Purchase Agreement, the Preliminary Official Statement and the final Official Statement; furthermore, the President of the Corporation shall have the power and authority to execute and deliver, and to authorize any other member of the board and officers of the Corporation to execute and deliver, such other instruments, documents, receipts and certificates as he may deem necessary or distribute in order to effectuate the transaction described herein or otherwise appropriate, in the President's discretion, in relation thereto or in supplement thereof; and any and all actions taken by the President (or such other authorized parties) to that end are hereby ratified and confirmed as the acts and deeds of the Corporation.

Section 2.6 Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

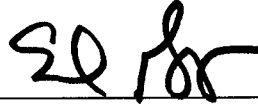
Section 2.7 Confirmation of Fiscal Year. The Corporation hereby adopts October 1 through September 30 as its Fiscal Year, which is the same as the City.

Section 2.8 Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the Board of Directors of the Corporation at which this Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public at the administrative office of the Corporation and the City of San Antonio for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the contents and posting thereof.

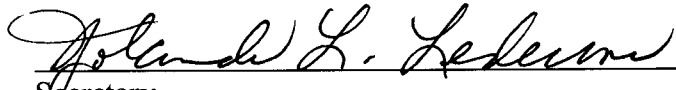
Section 2.9 Severability. If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution. In case any obligations of the Corporation authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Corporation to the fullest extent permitted by law.

Section 2.10 Corporate Seal. The official corporate seal of the Corporation shall be changed so that it shall have inscribed in the outer circle "Starbright Industrial Development Corporation" and shall have inscribed in the inner circle a star and "City of San Antonio, Texas."

ADOPTED, PASSED AND APPROVED, this 12th day of June, 2003.



President **EDWARD D. GARZA**
City of San Antonio, Texas,
Starbright Industrial Development Corporation



Secretary
City of San Antonio, Texas,
Starbright Industrial Development Corporation